

Opening Remarks
The Honorable Tom Bliley, M.C.
Chairman, House Committee on Commerce
Subcommittee on Energy and Power Field Hearing
on Consumer Choice in Electricity
Friday, April 18, 1997
Richmond, Virginia

Chairman Schaefer, let me welcome you and each of the members of the subcommittee to this, the historic and beautiful capital of the Commonwealth of Virginia, my home town of Richmond. I believe this is the first Congressional Hearing to take place here -- it's the first one in my memory, in any event -- and I'm proud to welcome you all here.

There's another first, however -- the first time I've ever been in a hearing where none of our witnesses has a funny accent!

I want to thank each of my colleagues for joining us here. And, looking out over this audience, I want to welcome Washington's lobbying community here as well! The New York Times says the electric utilities will spend 50-million dollars lobbying this legislation, this year alone. Well, I'm glad to see some of it being spent here in Richmond!

And I especially want to thank the folks here at the **Henrico** County Building who've been so gracious and helpful to us in preparing for this event.

We're here to ask a simple question -- when consumers turn on an electric light, should they have a choice? Should the electric utility market be competitive, or not? Will competition be good for consumers? Will it save money -- not just for the household budget, but for new jobs? And for schools, and for mass transit, and hospitals?

I make no secret of where I stand. I stand behind competition, and free enterprise, and consumer choice, one hundred percent, with no apologies.

History taught me so. Throughout American history, competition has led to lower prices, created better service, and spawned improvements and innovation.

Economists tell us that competition in electricity will lower the average household's electric bill by from 15 to 43 percent. For the typical Virginia household, that's a saving of from \$151 to \$433 a year. For the poor, for those living in homes that aren't energy-efficient, those savings are greater still.

And for the biggest consumer of all, the United States government, just a 10 percent saving would mean \$350-million dollars a year -- because Uncle Sam spends \$3.5 billion a year on his electric bill. The average family in the United States sent \$4,100 to Washington this past Tuesday in taxes -- and \$350 million -- again, just a 10 percent saving in electricity costs -- represents the entire tax obligation of more than 86,000 American families. That's money they expect to be spent a lot more wisely than this.

And just as history and economics stand behind the notion of consumer choice, so too do the American people themselves. By a margin of three to one, Americans tell us they want to be given the power to choose their own electric utility companies.

That's a view that's equally prevalent here in Richmond -- a city that relishes its independence and its free markets.

Richmond, too, is known for its adherence to the principle of States' Rights -- a topic I'd like to touch on.

I was Mayor of this City. I am a proud son of this City. And I stand second to none in my support for the role of the States. But the notion of States rights is, by some in this regard, being abused.

Governments purpose is not to say "no." Government's purpose is to enhance choices, not restrict them. To empower, and not restrain. When government is used for a contrary purpose -- as it is when it creates special classes of consumers, some free to negotiate, others held captive --that action by government cannot be justified. And that principle applies equally to States, and to Cities, and to Federal Governments as well.

While I believe in States' rights, the rights of the individual supersede. Always. No exceptions.

Now, as we move from monopolies toward competitive markets in electricity, we're all working to determine the appropriate roles of the federal government. But make no mistake about this: as I have said many, many times, there is a federal role. There must be, if we are to do this in an orderly, well-organized fashion.

To me, the question isn't whether to bring competition to electricity. It's how. My mind goal is a simple one -- that within a fixed, definite period of time, all classes of consumers will have a choice of electricity providers. I want a competitive system that preserves reliability, protects the environment, and allows all consumers access to lower costs. And I know we'll hear some good ideas today about how to get there.

I see a lot of friends here today, and, if the Chairman will indulge me, I would personally like to recognize a few on the first panel:

- The Honorable Rudolph C. McCollum, Jr. of the Richmond City Council;
- Jonathan F. Johnson, the President, CEO, and Owner of Community Pride Food Stores here in Richmond;
- Charles Duffy, the Executive Director of the Regional Education Agency in Martinsburg, West Virginia;
- Al Lepinsky of the United Homeowners Association in Fredericksburg, Virginia;
- Jean Ann Fox, the Vice President of the Virginia Citizens Consumer Council in Yorktown;
- And Jo Hambrick-Kittner. the President of the Virginia Retail Merchant's Association

I welcome you all to this Hearing, and to Richmond

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